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Strategic heritage plan of the United Nations Office at Geneva

Report of the Secretary-General

Summary

The Secretary-General has the honour to submit his progress report on the planning and implementation of the strategic heritage plan, pursuant to section V of General Assembly resolution 68/247 A.

The report summarizes the work undertaken during 2014 and contains updated information on the establishment of the internal project control mechanisms and the governance and oversight framework, as well as a refined proposal with regard to the core functions of the dedicated project management team.

In addition, the report provides detailed information with regard to the current status of negotiations with the host country on the loan package, details of which have now been determined, including separate loans for the new construction and for the renovation portions of the project and the impact of that loan upon project financing. The present report also provides information on alternative funding mechanisms. It is hoped that this information will prove useful to Member States in considering aspects of financing at an early stage. The General Assembly may wish to provide guidance to the Secretary-General regarding further information to be included in his next progress report, in anticipation of the proposal for project approval and financing to be presented to the General Assembly at its seventieth session.

The present report provides details of the revised resource requirements for the project until the end of 2015 in the amount of CHF 26,283,400, equivalent to $28,383,800 at initial appropriation 2014-2015 rates, which the General Assembly is requested to approve.

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I. Introduction

1. The present report is submitted pursuant to the request by the General Assembly in section V, paragraph 18, of its resolution 68/247 A, to submit annual progress reports on the implementation of the strategic heritage plan.

2. The report summarizes the planning and other preparatory activities for the strategic heritage plan to date. It presents the establishment of robust internal project control mechanisms and an effective governance and oversight framework based on lessons learned and best practices; a refinement of the proposals for the core functions of the dedicated project management team; and options for using contracted external expertise. The report offers detailed information on the next essential preparatory planning activities required to address the health, safety, usability and access needs of the Palais des Nations, which need to continue without interruption during 2015 in order to be able to start construction work at the earliest opportunity.

3. The report provides details of the terms of the formal loan offer by the host country. It also sets out information on alternative funding mechanisms, including voluntary contributions, which could reduce the overall cost to Member States.

4. Information on other considerations highlighted by the General Assembly in its resolution 68/247 A are addressed, including consideration of the possible impact of the implementation of the enterprise resource planning system, Umoja, and of the potential for flexible workplace strategies, a review of the options for providing sufficient parking spaces to meet the existing and future needs of diplomatic missions and Secretariat staff, a strategy for the reuse of existing furniture in order to reduce the requirement for new furniture, and compliance with the provisions of the agreements pertaining to the animals living on the land provided for the United Nations Office at Geneva.

II. Progress made since the approval of implementation strategy (c)

5. The General Assembly, in its resolution 68/247 A, approved implementation strategy (c) for planning and design purposes. In this context it is recalled that the recommended implementation strategy (c), outlined in the previous report of the Secretary-General (A/68/372), entails the complete renovation of the Palais des Nations, including the replacement of the E building office tower with a new building of equivalent size. The latter is to serve initially as swing space to facilitate the most economical project implementation.

6. Following this approval, the Secretary-General immediately initiated all mandated work, including the necessary pre-design project activities outlined in his previous report. The project continues to be implemented in accordance with the previously established key project objectives to provide modern, functioning conference and office facilities that will address the current and future requirements of the United Nations and its Member States. To this end, the project plan for the current preparatory phase has been updated, and includes the following key pre-design activities, all of which have been launched:

(a) Engagement of the dedicated project management team;

(b) Tendering and engagement of consultancy services, in particular the lead design and specialist design firm;

(c) Development of the project design brief;

(d) Actions initiated to start the construction work at the earliest opportunity;

(e) Collection of lessons learned and best practices;

(f) Establishment of robust internal project control mechanisms;

(g) Establishment of a project governance and oversight framework;

(h) Establishment of the required next steps;

(i) Refinement of the proposed core functions of the dedicated project management team and options for using contracted external expertise and dedicated consultancy services.

A. Status of the establishment of the dedicated project management team

7. The General Assembly approved resources for the continuation of the two existing positions and the establishment of 10 additional dedicated positions (see resolution 68/247 A, sect. V, para. 34 (a)). The positions were duly classified and globally advertised. The selection process for most of the positions has been completed and those positions have been filled; the selection process is being finalized for the remaining positions.

B. Status of engaging dedicated consultancy services

8. In line with the activities approved for 2014, the Secretary-General has extended the contracts for the previously competitively selected consultancy services for programme management and risk management. With the support of those consultants, the dedicated project management team prepared a detailed scope of work for the required lead design and specialized design services, which formed the basis for the comprehensive international competitive request for proposals for those services. A total of 11 proposals were submitted by companies from six countries. Following a comprehensive, phased evaluation of the proposals, the notice of award was issued to the recommended contractor and contract negotiations are being finalized.

9. Due diligence is being undertaken to ensure that the contract for the provision of lead and specialized design services specifies the necessary robust project delivery and control framework to enable the Secretary-General to adequately manage the scope, schedule, cost and quality of the strategic heritage plan project. The negotiations of the contractual provisions are at an advanced stage and are expected to conclude shortly. Accordingly, it is anticipated that the design firm will be engaged in the near future and commence work no later than the last quarter of 2014.

10. The lead design firm will develop the overall design execution plan outlining the required design resources, systems, processes and tools, to ensure the alignment between the design implementation and the required performance and quality standards. The firm will also be required to develop the overall design master plan and the overall design guidelines that, together, will constitute the comprehensive design strategy, and will provide guidance on how to proceed with the detailed design work for all project phases.

11. In 2014, the lead and specialized design firm will commence the development of the stage one design study for the entire project scope and also commence the concept/schematic design for the entire strategic heritage plan. This will mainly entail the preparation of design solutions, detailed cost estimates and recommendations. This will enable the United Nations to select the most appropriate design that will best achieve all the project objectives and benefits within budget, while considering the effects of all associated contractual and delivery risks. The detailed design work, which consists of the development of detailed construction specifications, bill of quantities and detailed drawings, will be initiated in 2015. In this connection, the Secretary-General confirms that the detailed design will enable the construction firms to comprehensively ascertain the cost of the construction prior to starting the work and prior to committing the United Nations to the design for the project.

C. Development of the design brief

12. In order for the members of the lead design team to rapidly take up their assignment, the dedicated project management team provided the consultants with a detailed design brief. To this end, the programme management firm was tasked in early 2014 with the development of this essential internal project control document. In this regard it should be noted that the design brief specifies the expected technical project outputs along with space and design objectives and benefits, among other aspects. The document has been completed and was submitted to the lead design firm to ensure that it operates within the defined project control framework.

D. Actions to start construction work at the earliest opportunity

13. Taking due account of the request by the General Assembly to enable a start of the construction work at the earliest opportunity, the Secretary-General prioritized a number of actions in order to maximize progress in the planning phase. To this end, it was decided to initiate the detailed physical building assessments and related in-depth studies.

14. With this objective in mind, a specialist firm was competitively selected in August 2014 to carry out structural assessments. They entail geotechnical surveys and structural tests, which will establish the extent to which remedial actions are necessary, particularly in terms of the magnitude of structural works required. As the outcome may have a bearing on the time frame necessary for the required planning work, the surveys and tests have been commissioned as a matter of priority.

15. For the same reason, the services of a second specialist firm have been competitively secured for the conduct of an in-depth, intrusive hazardous material

assessment. This will be performed throughout the Palais des Nations and is scheduled to commence in the last quarter of 2014.

16. The programme management firm has developed the internal project control mechanisms with regard to scope, cost, schedule and quality of the strategic heritage plan. The firm has also prepared viable options to ensure the sufficient availability of parking spaces to meet the existing and future needs of diplomatic missions and Secretariat staff.

17. The independent risk management firm has developed the project risk management strategy and the project risk register, which includes all the project risks and issues identified so far and an assessment of the magnitude of the risks and risk reduction actions and controls that are recommended to reduce the risks and issues to a minimum. Other ongoing tasks have included the preparation of regular reports on the key risks to the project budget and agreed time schedule.

E. Lessons learned and best practices

18. In accordance with General Assembly resolutions 66/247 and 68/247 A, the Office of Central Support Services is coordinating the development, collection and promulgation of lessons learned for capital projects undertaken by the Organization. A comprehensive list has been developed and, in consultation with the strategic heritage plan team, has been deemed applicable for the project.

19. Several key lessons learned from the capital master plan have been incorporated into the project, notably the need to establish a core dedicated project management team, with operational experts as partners, as well as to allow for flexible contracted expertise.

20. During the reporting period, the dedicated project management team has also collected additional lessons learned from industry experts, which will further guide project planning for the immediate forthcoming activities, as follows:

(a) A robust internal communication strategy for the project will be developed, with all communications, submissions and the flow of information to be conducted electronically in a secure common data environment. This will ensure that all parties have access to the same information, that the information accessed is both current and relevant, and that the parties can manage risk on the basis of common information. The strategic heritage plan team is in the process of developing the common data environment, in order to facilitate a timely and accurate decision-making process;

(b) Contracts will include terms to facilitate the management of time, cost and risk and to enable transparent planning and data recording of resources and productivity during the progress of work. This would enable the United Nations to recover from delay and accelerate when required, in order to meet completion dates;

(c) Scheduling for both design and construction is to be carried out seamlessly, irrespective of the party planning the work. Every scheduling input will be included within the integrated budget, resource schedule and the contractor's working schedule in order to ensure transparency and coordination in the work between different specialist consultancies;

(d) A specialist in critical path analysis should be appointed to monitor and prioritize programme-critical activities and milestones that directly affect the duration of the project schedule and to analyse the potential effects of risks and issues that could have an impact on those activities during the design and construction phases;

(e) Control over costs and time should be integrated by reference to a critical path network including full details of costs, in which the value of activities carried out indicates the value of work done in each period, with project progress reported in the form of an earned value assessment (see the explanation provided in sect. III below);

(f) Contingency costs and timing should be provided for all project risks. Contingency durations should also be defined for spending the contingency sums. This would ensure that the predicted time and cost of project activities include allowances sufficient to mitigate the likelihood and impact of the identified risks;

(g) An early warning system should be initiated to encourage members of the dedicated project management team to give advance warning of any risks likely to occur, so that any risk can be mitigated, where necessary;

(h) On such complex renovation projects as the strategic heritage plan, many changes can be expected (possibly on a daily basis during the construction and refurbishment phases), as a result of the re-measurement of estimated quantities owing to unforeseeable work circumstances. In order to avoid suspension of work or inefficient productivity, the project director should be permitted to approve such changes within the boundaries of the contingency sums, without reference to a higher authority. Such expenditure, however, must not cause a change in project scope or objectives, or a delay in the completion of the project, or a reduction in the quality of the project benefits;

(i) It is vital that the party that carries a given risk has the power to manage it contemporaneously. A fast and efficient issue resolution process should be instituted that provides for a period of negotiated settlement, followed by an assessment by an independent expert, for any matters on which agreement cannot be reached;

(j) Regular coordination between the dedicated project management team and the teams responsible for ongoing operations of the United Nations Office at Geneva is essential, during both the design and construction phases of the project. This would ensure that whole life-cycle costs of design decisions are taken into account and coordinated with related operational objectives. In addition, dedicated expert staff from the operations teams should be assigned to the project for this purpose.

III. Establishment of internal project control mechanisms

21. In line with section V, paragraph 9, of General Assembly resolution 68/247 A, the Secretary-General has determined the internal project control mechanisms that would enable the strategic heritage plan team to control and manage the approved project implementation strategy (c), including in terms of scope, cost estimate, quality and schedule. The process also establishes a mechanism for the validation of the changes that may be deemed necessary during the design and construction phases of the project, prior to being submitted to the steering committee.

22. The internal project control mechanisms will consist of a work breakdown structure,[1] with a similar breakdown of the cost plan, supported by earned value management and monitoring of the critical path network. Regular progress monitoring will include the continual re-assessment of critical activities and milestones, the potential for emergent critical paths owing to risk and estimation uncertainties, and the use of earned value analysis to monitor whether the project is ahead of or behind schedule, given the level of expenditure, at a given point in time.

A. Scope control

23. The implementation plan of the strategic heritage plan defines the necessary activities and steps for achieving the agreed project objectives and benefits. The combination of activities, objectives and benefits form the project scope.

24. To control and manage the scope, regular design and construction review meetings will be held with the participation of internal stakeholders from the United Nations Office at Geneva, the strategic heritage plan team, the programme management firm and the independent risk management firm. Any requests for scope changes by internal stakeholders, at the sub-project level, would be assessed initially by the Project Director and the independent risk management firm. This initial assessment would consider the impact of the proposed change in terms of time, cost, quality and project objectives. If a proposed change of scope at the sub-project level is deemed necessary by the Project Director, it would then be submitted to the Steering Committee for approval.

B. Cost and time schedule control

25. In order to manage time and costs on such a complex construction and renovation project, a dynamic approach, which takes into account the evolving needs arising from time to time, especially as renovation content becomes apparent, is essential. Competent control of risk, time and cost on a complex project requires a quality assured, critical path network[2] as a dynamic project management tool. Regular progress reports will be produced, the content of which is explained in annex I.

26. The periodically updated critical path network will be the primary source of data for progress reporting by the programme management firm.

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[1] The schedule will be designed with a work breakdown structure which splits the total project into more detailed levels. The work breakdown structure will provide the framework from which planned costs, time and schedule/performance can be updated from progress records and used to predict the consequences of deviations. The activities will also be coded by reference to a number of different criteria for sorting, filtering, searching, analysis and reporting.

[2] The critical path network is created in different densities relevant to the quality of the information available at any particular point in time. This is revised on a rolling basis to take account of better information as it becomes available. It is also to be updated with the effect of progress achieved and makes allowance for unforeseen events so that it always predicts the effect of the best information available at that time. On that basis, the predicted consequences of design development, any slow progress, changes or unforeseen events can be managed during the course of the work by instructions for utilization of appropriate contingencies, resequencing of the project schedule or changes in the distribution of approved resources.

27. Earned value analysis is another form of project progress monitoring and reporting, which will complement the critical path network tool described above. Earned value analysis compares the value of work planned to be carried out over a given period of time against the value of work actually carried out during that period. It is less accurate than a critical path network model because it is not dynamic, however it does provide a comparison to the original approved baseline project cost.

28. The earned value tool is a monetary approach to actual and projected project performance in terms of cost and in terms of time based on cost. It will be used to identify the status of the entire project and also for individual packages of work. Earned value analysis reports will be produced, the content of which is explained in annex I.

C. Quality control

29. Quality control will be implemented by assuring compliance with programme objectives in design and assuring compliance with design requirements and standards during construction. Prior to the start of any contract during any phase, the contractor will be required to submit a quality management plan describing the contractor's methodology for quality assurance and control to ensure that the contract's activities and deliverables meet all requirements.

30. The quality management plan will be reviewed and approved by the project management team. Upon approval, the project management team will implement periodic surveillances and/or audits to verify the implementation of the requirements of the quality management plan and the effectiveness of the contractor's methodology.

IV. Establishment of the project governance and oversight framework

31. In section V, paragraph 10, of its resolution 68/247 A, the General Assembly requested the Secretary-General to present, at the main part of its sixty-ninth session, options to ensure effective governance and oversight with respect to the implementation of the strategic heritage plan.

32. In section VI.C of his previous report (A/68/372), the Secretary-General outlined his initial project governance structure for the strategic heritage plan, which was reflected in annex III of that report. Having taken due consideration of the request from the General Assembly, the Secretary-General has since refined and further developed the proposed governance and oversight structure with respect to the implementation of the strategic heritage plan in order to ensure that the project remains within budget, time schedule and quality.

33. The enhanced governance and oversight framework (see annex II) builds on the overall risk management strategy, described in the previous report, and has introduced a key new element, in the form of an Advisory Board. In addition, the Secretary-General has established the terms of reference of the Steering Committee, as described below.

34. The project governance and oversight structure will provide:

(a) The framework within which project decisions are made, to ensure that the project objectives, benefits and long-term accommodation requirements of the United Nations Office at Geneva are delivered in full;

(b) Guidance on decisions that may be required to enable progress on and/or correct the project planning and implementation;

(c) Guidance to anticipate issues that may affect the project and thereby maximize efficiency of project delivery and ensure the functional needs and concerns of all project stakeholders are duly and appropriately considered.

A. Components of the framework and the respective roles

35. The core composition of the governance and oversight framework, including senior management as principal holders of responsibility for the project, is as follows:

(a) The Director-General of the United Nations Office at Geneva, as project owner;

(b) The Advisory Board;

(c) The Director of Administration of the United Nations Office at Geneva;

(d) The Project Director;

(e) The Steering Committee;

(f) Internal stakeholders of the United Nations Office at Geneva.

36. The Director-General, as project owner, provides overall management direction to the Project Director, through the Director of Administration. This will ensure that the project objectives continue to align with the goals of the United Nations. The Director-General acts as chair of the Steering Committee. He also has an active role as regards communication with donors. The Director-General approves proposed funding requests to be presented to the General Assembly and approves changes affecting project scope, budget and timeline, subject to agreement by the Steering Committee.

37. The Director of Administration is responsible for providing strategic and administrative guidance to, and oversight of, the Project Director and team. The Director of Administration will interact with the United Nations intergovernmental and oversight bodies, as well as key external stakeholders such as the Government of Switzerland and representatives of Member States. The Director of Administration advises the Steering Committee, at key project milestones, of the major risks the project may face and, in conjunction with the Project Director, proposes the mitigation measures to be taken. The Director of Administration will approve resource requests; review all reports to be sent to the Steering Committee and to governing bodies; and monitor and evaluate the performance of the Project Director and the project team.

38. The Project Director has overall responsibility for the day-to-day performance of the project team and the delivery of the project. Specifically, the Project Director is responsible for: the execution of the full scope of project deliverables on time,

within the established budget and according to agreed objectives, benefits and quality levels; the allocation of financial and human resources; reporting project progress to the Director of Administration and to the Steering Committee; reporting and managing the resolution of project risks, opportunities and current issues; managing project changes; and liaising with representatives of internal stakeholders of the project. Additionally, the Project Director will manage the commissioning and handover process of the renovated and constructed premises.

39. The Project Director has authority to approve decisions required to execute the project within the agreed scope and objectives and to implement changes without reference to the Steering Committee where they are limited to utilization of the agreed contingency sums. This authority is essential if the project is not to be delayed and disrupted by the need to refer each of the many expected changes to the Steering Committee for authorization. Such changes include:

(a) Unplanned changes (for example, site conditions) or required changes to project cost and schedule that must be accepted to allow the project to progress;

(b) Changes to project cost and schedule that may be included if they provide a better way of delivering the originally agreed end product, or function of the end product, at a reduced cost. Such efficiency changes may refer to the adding or cutting out of steps in the project or delivering the project in a different way to produce the same end product.

Any scope and objective changes to the agreed project implementation plan, where the product being delivered no longer aligns with the original objectives or intent of the project, or is to contain different features, services or functions than originally intended, will be outside the Project Director's authority and instead must be presented to the Steering Committee for approval.

40. The input of the internal stakeholders of the project at the United Nations Office at Geneva will be coordinated by the Director of Administration and the stakeholders are responsible for providing inputs on their operational requirements to the strategic heritage plan in alignment with the strategic objectives of the United Nations. The internal stakeholders will assist the strategic heritage plan team in reviewing the design at the main milestones, such as the design feasibility, concept design and detailed design.

B. Steering Committee

41. The Steering Committee will be responsible for the approval of changes that will modify the scope and objectives of the agreed project implementation plan, where the product being delivered no longer aligns with the original objectives or intent of the project, or is to contain different features, services or functions than originally intended. In addition, the Steering Committee shall review changes that exceed the approved budget, prior to submission to the General Assembly for approval, and shall oversee the cumulative effect of changes being made across the entire project and the adequacy of remaining contingency funding. Furthermore, the Committee will be tasked with overseeing the overall performance of the project in delivering the key milestones and meeting the requirements of its key internal and external stakeholders and of the Organization as a whole.

42. Quarterly meetings shall take place where the Project Director will present the current state of the project as regards progress in terms of the timeline, budget, scope and realization of the strategic benefits. Quarterly meetings will also be the forum in which formal change requests are approved or rejected. Special meetings of the Steering Committee may be convened by the Director-General in case of urgent needs, such as approval of a change of scope that, if delayed, could increase the costs of the project.

43. The Steering Committee will comprise the heads of departments or their appointed representatives, as well as representatives from leading departments and offices in Geneva and New York with a direct operational interest in the project.

44. The membership of the Steering Committee will comprise the following:

(a) Chair: the Director-General of the United Nations Office at Geneva;

(b) Co-Chair: the Under-Secretary-General, Department of Management;

(c) Secretary: the Project Director of the strategic heritage plan (ex officio);

(d) Representatives of internal stakeholders: heads of the United Nations Conference on Trade and Development; the Office of the United Nations High Commissioner for Human Rights; the Economic Commission for Europe; the Office for the Coordination of Humanitarian Affairs; and the Department for General Assembly and Conference Management;

(e) Other representatives from leading departments and offices: the Department of Safety and Security; the Department of Management; the Office of Central Support Services; the Office of Programme Planning, Budget and Accounts; and the Office of Information and Communications Technology.

45. Steering Committee meetings will be held in Geneva on a quarterly basis and non-resident members will join through videoconference.

46. The Assistant Secretary-General of the Office of Central Support Services of the Department of Management at Headquarters, also a member of the Steering Committee, would provide regular support and advice, through the Director of Administration of the United Nations Office at Geneva, to the Project Director of the strategic heritage plan.

C. Advisory Board

47. The Advisory Board is envisaged as an independent and impartial entity, responsible for providing the Director-General of the United Nations Office at Geneva, in his role as project owner, with advice and guidance on the management of the project. The Board would be regularly informed of the details of the project at key milestones in the context of scope, time, budget and quality, and on how to proceed after certain predetermined stages have been reached.

48. The Advisory Board shall have a chair and subject matter experts. Appointment to the Board shall be for a period of two years. The Project Director of the strategic heritage plan will serve as its secretary.

49. The members of the Advisory Board will be:

(a) A representative of the strategic heritage plan project management team;

(b) A representative of the strategic heritage plan independent risk management firm;

(c) An adviser from the Office of Central Support Services on lessons learned from the capital master plan and other construction projects;

(d) Guest advisers requested by the Project Director or the Director of Administration.

50. The Advisory Board will normally meet on a quarterly basis or it may agree on a different frequency, according to need. The meetings will be held in Geneva and non-resident members will join through videoconference.

V. Other considerations

A. Capital master plan, New York

51. In his twelfth annual progress report on the implementation of the capital master plan (A/69/360), the Secretary-General reported that the renovation phase of the project would be completed in 2014, that the Office of the Capital Master Plan would close on 30 June 2015, and that post-renovation activities would be completed in late 2016 by the Office of Central Support Services.

52. The proposed scheduled start of construction of the strategic heritage plan in 2017 is therefore in line with the directive from the General Assembly that the renovation phase of the strategic heritage plan should not start before the Assembly has taken a decision on the matter and the capital master plan has been completed.

B. Strategic capital review

53. In line with the request by the General Assembly in section V, paragraph 3, of its resolution 68/247 A, the Secretary-General confirms that the requirements outlined in the present report on the strategic heritage plan are coordinated with the requirements currently being developed under the auspices of the ongoing strategic capital review. A report on the strategic capital review is scheduled to be submitted at the first part of the resumed sixty-ninth session of the Assembly.

C. Impact of flexible workplace strategies and implementation of Umoja

54. As directed by the General Assembly, the Secretary-General will submit a report to the Assembly at the first part of its resumed sixty-ninth session containing a comprehensive business case for the application of flexible workplace strategies at the United Nations.

55. Against this background, and as previously reported, an approximate increase of 25 per cent in space usage efficiency, compared with existing usage, is projected as a result of applying the current space planning implementation strategy for the strategic heritage plan. The global space planning guidelines of the Organization,

applied in recent capital projects including the capital master plan, are being applied to the strategic heritage plan, adapted as appropriate to account for the specific operational requirements of organizations located within the Palais des Nations and the unique physical characteristics of the historic buildings. The planning guidelines, as currently developed, would provide enclosed offices and open office workstations.

56. The dedicated project management team is participating in a working group, led by Headquarters in New York, as a pilot for the application of flexible workplace strategies is being developed and implemented within the Secretariat building. As part of the implementation plan of the strategic heritage plan, the team will consider how various flexible workplace strategies may be applied in Geneva and proposals will be developed during the detailed design. A more efficient use of existing office space would allow for additional United Nations staff currently located in Geneva to be accommodated in the Palais des Nations.

57. A new global service delivery model for the Secretariat will emerge as the process of business re-engineering under Umoja moves forward. As directed by the General Assembly, the Secretary-General will present a proposal on the future service delivery model for its consideration at a later session. Possible implications for the strategic heritage plan will be considered in due course.

D. Plan to reuse existing furniture to reduce new furniture requirements

58. As requested by the General Assembly, existing office furniture will be reused to the maximum extent possible. An analysis of the inventory of furniture, including office furniture, task chairs, guest chairs and filing cabinets has been performed, and a target re-use rate of up to 50 per cent of furniture and up to 80 per cent of chairs is being included in the project. This planning figure is subject to further refinement following completion of the design. The quantity of reuse of existing furniture will be established through a comparative analysis between the cost of purchasing new furniture versus dismantling/storing/reinstalling existing furniture.

E. Viable options for ensuring sufficient parking space at the United Nations Office at Geneva

59. In line with the request of the General Assembly in section V, paragraph 15, of its resolution 68/247 A, the dedicated project management team has assessed viable options to ensure sufficient parking space within the overall budget of the strategic heritage plan. The current arrangement for diplomatic and/or observer missions is the provision of reserved surface and underground parking. Currently, 349 parking spaces are exclusively designated for vehicles of diplomatic personnel and delegates. The current arrangement for staff, consultants and visitors is provided by either surface parking or underground parking, both assigned or unassigned. The overall parking spaces-to-staff ratio is 1,622 to 2,800, or 58 per cent. However, the current parking policy at the United Nations Office at Geneva is to provide permits to both diplomats and non-diplomat representatives of missions, staff, heads of specialized agencies, consultants, journalists and enterprises, far in excess of total available parking spaces.

60. Given that staff levels are expected to increase by approximately 700, if the future spaces-to-staff ratio were to remain consistent, then the total number of additional spaces required would be 406. It should however be noted that United Nations staff currently working off-site are partially using the parking facilities offered inside the Palais des Nations premises.

61. In order to provide additional spaces at no additional cost to the project, the dedicated project management team is currently developing a two-pronged approach to meet the increased demand by: (a) reviewing the current parking policy, to possibly eliminate some or all assigned spaces for staff, and/or to limit the total number or permits issued, in particular to non-United Nations entities; and (b) making more efficient use of existing parking through low-cost means such as restriping. The dedicated project management team had considered several high-cost options, such as constructing new underground and/or surface parking spaces, which are not being pursued owing to cost considerations.

F. Compliance with the relevant provisions of the agreements pertaining to the animals living on the land provided for the United Nations Office at Geneva

62. The strategic heritage plan includes provisions in line with the request of the General Assembly in section V, paragraph 28 of its resolution 68/247 A, which stresses that it should be implemented in compliance with the relevant provisions of the agreements pertaining to the animals living on the land provided for the United Nations Office at Geneva.

63. Currently, eight peafowls are living in the park surrounding the Palais des Nations. Although there is no evidence of a formal agreement, the animals have lived on the grounds since the United Nations took over the premises from the former League of Nations in 1946. In 1981, India donated two peafowls to the United Nations, and five peafowls were donated by the Permanent Mission of Japan in 1997.

64. During the replacement of the windows in the context of the energy-saving measures implemented through a voluntary contribution from Switzerland, special nests were installed on the façades of the Palais des Nations to host a protected species of swallows.

65. In 2012, Switzerland donated 10 beehives to the United Nations Office at Geneva to celebrate the tenth anniversary of the adhesion of the country to the Organization.

66. Further, the Central Support Service of the United Nations Office at Geneva established a contract with a local farmer, who is tasked with cutting certain lawns of the premises several times a year. This task is done mechanically in spring and summer, while in the autumn, a flock of between 100 and 300 sheep is brought inside the premises temporarily, for a period of approximately one month, for this purpose.

67. The Secretary-General will make every effort to guarantee that all the animals can continue to live safely in the park surrounding the Palais des Nations during the construction phases of the strategic heritage plan and thereafter.

VI. Project financing

68. In section V, paragraph 29, of its resolution 68/247 A, the General Assembly requested the Secretary-General to report on the negotiations with the host country on loan arrangements for both the renovation and the construction portions of the strategic heritage plan. The Secretary-General was also requested also to further explore the possibilities of alternative funding mechanisms, inter alia through a donation policy, with the aim of reducing the overall assessment on Member States.

69. In its resolution 68/247 A, the General Assembly recalled paragraphs 55 and 58 of the report of the Advisory Committee on Administrative and Budgetary Questions (A/68/585) and decided to revert to the establishment of the multi-year special account for the strategic heritage plan at the main part of the sixty-ninth session of the Assembly.

70. This section of the present report provides an update on the above-mentioned financing matters, particularly the detailed terms and modalities of the formal offer of a loan package from the host country, which have now been determined. It also presents information on possible funding arrangements for the strategic heritage plan, for the information of Member States, in anticipation of the proposal for project approval and financing to be presented by the Secretary-General to the General Assembly at its seventieth session. It is hoped the additional information will prove useful to Member States in considering aspects of financing at an early stage.

71. The General Assembly may wish to direct the Secretary-General as to further information it would seek to have included in the next progress report in order to enable Member States to make an informed decision on the most suitable funding strategy for the strategic heritage plan.

72. To facilitate the presentation of comparative financial analyses, all calculations in the present report have been prepared on the basis of the analysis of estimated project costs for the period from 2014 to 2023, as presented in table 3 of the previous report of the Secretary-General (A/68/372).

A. Status of negotiations with host country on loan arrangements

73. As authorized by the General Assembly, negotiations have taken place with the host country on the possible loan arrangements.

74. It will be recalled that the host country provided $150,000 for the preliminary feasibility study in 2010 and in addition made a generous donation of CHF 50 million ($54 million) for the implementation of energy-saving measures in anticipation of the strategic heritage plan. The related works were concluded on time and within budget at the end of 2013. It should be noted that the estimated project cost of the strategic heritage plan in the amount of CHF 837 million reflects the estimated costs from 2014 to 2023. It does not include any of the contributions received over the years prior to 2014.

75. The host country has the possibility to grant interest free loans for the new construction of buildings to international organizations based in Switzerland. Such organizations have taken advantage of those loan arrangements over recent decades. In June 2013, the host country revised the existing policy to also allow for interest-

bearing (below market rates) loans for renovation. In this context, the host country particularly underscored the importance and priority it attaches to the urgent implementation of the strategic heritage plan.

76. The host country has decided to formally offer a loan package consisting of a construction loan (referred to as the first loan in the present report) and a renovation loan (referred to as the second loan), together covering up to 50 per cent of the total project costs approved by the General Assembly. In accordance with host country practice, the loans would be subject to approval by the Parliament of Switzerland. The host country advises that there is a loan ceiling in the total amount of CHF 380 million ($410.4 million) at present. It is understood that, depending upon the revised overall cost estimates that will be presented to the Assembly at the main part of its seventieth session, if deemed necessary the Secretary- General could ask the Government of Switzerland to reconsider this limit.

B. Modalities of the loan arrangements

77. Based on the above-mentioned assumptions, the first loan would cover the entire construction cost of the replacement of the E building, currently estimated at CHF 117.6 million ($127.0 million). The second loan would be used for the renovation costs, in the amount of CHF 262.4 million ($283.4 million). Under the terms of the offer, the host country would provide financing in segments, aligned with expected cash requirements at the request of the United Nations, during the design and construction phase of the project.

1. Interest rates and duration of the loan package

78. The first loan, for the new construction, would be a zero interest loan repayable over 50 years. The second loan, for the renovation, would be repayable over 30 years and would have a fixed interest rate based on the 30-year refinancing rate in Switzerland, which is currently averaging about 1.5 per cent for 2014. The interest on the second loan accrues from the date of the end of the construction, currently scheduled for 2023. It should be noted that this rate is subject to market fluctuation until it is locked in at the time when the loan arrangements are concluded, that is to say at the time the General Assembly approves the project and its costs.

2. Repayments of the loan package

79. The repayment of the loans would normally begin once the respective projects (new construction and renovation) have been completed. Once the construction phase is concluded, the United Nations would be required to make an annual repayment of CHF 2.35 million (principal only) over 50 years to repay the construction loan. In addition, once the renovation is completed, the United Nations would be required to make an annual repayment of CHF 10.9 million over 30 years (principal and interest) to repay the renovation loan.

80. A summary of the loan package and the estimated cumulative interest cost is set out in table 1 (Swiss francs) and table 2 (United States dollars). Annex III of the present report provides details of the amortization schedules for each of the loans in the package.

Table 1
Summary of loan package in Swiss francs
(Millions)

	Estimated project cost	*Loan amount*	*Interest rate (percentage)*	*Interest costs*[a]	*Total cost, including interest*
	(a)	*(b)*	*(c)*	*(d)*	*(e) = (a) + (d)*
Loan 1 — New construction (repayable over 50 years)	117.6	117.6	–	–	117.6
Loan 2 — Renovation (repayable over 30 years)	719.4	262.4	1.5	65.4	784.8
Total	**837.0**	**380.0**		**65.4**	**902.4**

[a] Sum of all interest payments over life of loan.

Table 2
Summary of loan package in United States dollars
(Millions)

	Estimated project cost	*Loan amount*	*Interest rate (percentage)*	*Interest costs*[a]	*Total cost, including interest*
	(a)	*(b)*	*(c)*	*(d)*	*(e) = (a) + (d)*
Loan 1 — New construction (repayable over 50 years)	127.0	127.0	–	–	127.0
Loan 2 — Renovation (repayable over 30 years)	776.9	283.4	1.5	70.6	847.5
Total	**903.9**	**410.4**		**70.6**	**974.5**

Note: All conversions from Swiss francs to United States dollars in the present report are based on the following rate: 0.926 CHF to $1.

[a] Sum of all interest payments over life of loan.

3. Terms of disbursement of the loan package

81. The host country would transfer funds in respect of each loan to a dedicated United Nations bank account established specifically for the strategic heritage plan. The funds would be deposited in the bank account on a quarterly basis to cover the expenditures of the upcoming three months. The United Nations would be required to provide regular reporting on expenditure incurred and projected expenditure in order to facilitate the quarterly disbursement process. It is proposed that the accounting and monitoring of the project would be undertaken through a multi-year construction-in-progress account, as discussed below.

C. Multi-year construction-in-progress account

82. As stated in the previous report of the Secretary-General on the strategic heritage plan, for effective monitoring and governance it is proposed that the project be managed within a separate multi-year construction-in-progress account.

83. Multi-year construction-in-progress accounts have been approved by the General Assembly for long-term projects that straddle the financial bienniums of the

programme budget. This has proved helpful for construction projects where: (a) the Organization's procurement lead time (during which funds are routinely earmarked, if not formally committed) can be lengthy as a result of the intensive due diligence process; and (b) commitments with contractors need to be entered into some time in advance of service or goods delivery because of the contractor's production lead time. It also avoids the procedural and administrative duplication where uncommitted balances are returned to Member States at the end of a biennium only to be requested once more for the following biennium as part of the subsequent proposed programme budget.

84. A multi-year construction-in-progress account gives the project owner and programme managers the flexibility to manage resources over a long-term horizon in line with the scheduled needs of a project, as opposed to being constrained by the fiscal timing of the programme budget cycle. Such an account does not reduce the reporting to General Assembly. In fact, the reverse is usually the case as, typically, such long-term projects are accompanied by annual progress reports to the Assembly on the totality of the estimated project cost (past expenditure, current year reforecast expenditures and projected cost estimates for future years), as opposed to the programme budget performance report, which occurs on a biennial basis.

85. A multi-year construction-in-progress account can be funded through the programme budget and hence Member States have the option to be assessed under the normal contribution mechanism for the programme budget. In this scenario, approved appropriations would be automatically transferred to the multi-year construction-in-progress account.[3]

D. Budgeting for future loan repayments

86. Should a loan package offer from the host country be accepted by the General Assembly, a special account could be used to account for not only assessments upon Member States and project expenditures, but also for the financing of the loan package (repayments from 2022 and 2024 onwards for the first and second loans, respectively). In this context, the special account could remain open until the principal and interest are fully repaid, although at some point the only activity on the special account would be the collection of assessments and the settlement of loan repayments. Furthermore, this would entail the continuation of separate assessments upon Member States, in addition to the normal assessed contributions in respect of the programme budget.

87. As a rule, the Secretariat seeks to close special accounts as soon as it is practically possible and, depending on the overall funding structure ultimately approved by the General Assembly, it might be desirable to recognize the long-term repayment cost of the loan under future proposed programme budgets, given that it would take half a century to discharge fully.

[3] By way of example, the construction of the new office facilities at Addis Ababa, which is managed via a multi-year construction-in-progress account, received funds from an appropriation approved by the General Assembly under the programme budget for the biennium 2006-2007.

Utilization of future rental income

88. The United Nations Office at Geneva currently generates about $1.2 million of income from rental of premises every year, which is recognized as miscellaneous income and returned to Member States at the financial close of each biennium. Upon completion of the project, an additional 700 workspaces will be created, which will reduce the regular budget provision included for the rental of Palais Wilson and Motta but also increase the amount of rental income received from extrabudgetary funded programmes. Based on current rates, this additional income would amount to about $2.2 million per year, giving rise to a total income of $3.4 million per year.

89. The rental income received during the project lifetime could be used to directly offset the costs of the project.[4] From 2024 onwards, once all construction has been completed, the future rental income ($6.8 million, equivalent to CHF 6.3 million, per biennium) could be applied to offset the ongoing loan repayments.

90. An overview of the long-term profile of loan repayments and, for comparative purposes, future rental income, is presented in table 3.

Table 3
Long-term profile of servicing loan package and rental income stream
(Millions of Swiss francs)

	2022-2023	*2024-2025 (continuous for 14 bienniums)*	*2054-2055 (continuous for 8 bienniums)*	*2072-2073*
Future rental income[a]	–	6.3	6.3	6.3
Repayment of new construction loan (50 years beginning 2022 through 2071)	(4.7)	(4.7)	(4.7)	–
Repayment of renovation loan (30 years beginning 2024 through 2053)	–	(21.8)	–	–
Net total (additional appropriation)/ miscellaneous income	**(4.7)**	**(20.2)**	**1.6**	**6.3**

[a] Future rental income is estimated at $3.4 million per year or $6.8 million per biennium. This equates to CHF 6.3 million per biennium, as shown in table 3.

E. Alternative funding mechanisms

91. In line with the directive from the General Assembly, the Secretary-General continued to explore the possibilities for alternative funding mechanisms with the aim of reducing the overall assessment upon Member States. To this end, the Director-General of the United Nations Office at Geneva and his staff have been proactive in pursuing a number of possible alternative funding arrangements, which are summarized in the following paragraphs. It is, however, too early to state what these initiatives will yield in terms of reducing the overall funding requirements, for the strategic heritage plan project, to be met through assessed contributions. The

[4] An estimated $12 million will be generated between 2014 and 2023 (10 years), as rental income which could be used to offset the overall project costs in order to reduce assessments upon Member States.

Secretary-General will continue to report on the results of these initiatives in future progress reports.

1. Voluntary contributions from individual Member States

92. The Director-General has intensified the Secretariat's engagement with individual Member States to seek sponsorship for the renovation of specific rooms. Overall, interest in this initiative among Member States has significantly increased. However, while possible donations have been under discussion with interested Member States for some time, formal commitments to finance specific renovation projects and secure the related funding are awaited, with one exception. On 26 August 2014, the Permanent Representative of the United Arab Emirates signed a memorandum of understanding with the Director-General relating to the renovation of room XVII. The generous contribution from the United Arab Emirates will reduce the estimated overall costs of the strategic heritage plan. The exact financial impact will only be determined at a later time, once further details of the donation in the context of the scope and cost of the renovation of room XVII are established.

2. Voluntary contributions from the private sector

93. The Director-General is in the process of contacting the private sector and foundations in Geneva and beyond with the aim of raising funds for renovation activities. So far, these efforts have not yielded any firm pledges, but efforts to explore alternative funding sources for the strategic heritage plan are continuing in a proactive manner.

3. Other potential alternative funding arrangements

94. In response to the request of the Advisory Committee on Administrative and Budgetary Questions (see A/68/585, para. 47), as endorsed by the General Assembly, to further explore the feasibility of using public-private partnership arrangements, the Secretary-General has been working closely with the Economic Commission for Europe and its team of specialists on public-private partnerships, the latter meeting regularly with leading experts on public-private partnerships.

95. There is agreement among the experts that a public-private partnership option for major renovation projects of historic buildings is not financially advantageous. In the case of such a partnership for new construction, the implementing partner would need to obtain financing. Given the risk related to public-private partnership ventures, the cost of capital is estimated at between 5 and 8 per cent. When compared to the interest-free loan offered by the host country, the public-private partnership option becomes less attractive. Furthermore it is noted that, to date, such an approach has not been used for a large scale renovation or construction for an international institution such as the United Nations. The Secretary-General will proceed with conventional procurement and contracting arrangements, which were also used in the context of the capital master plan.

96. Moreover, revenue-producing activities, as well as opportunities for drawing value from the existing grounds belonging to the United Nations Office at Geneva, have been identified and merit further assessment in terms of their potential for reducing the overall cost of the strategic heritage plan to Member States. A preliminary study undertaken by the public-private partnerships institute of a university in Japan identified the following three options, focusing on constructing

and operating: (a) a hotel; (b) a condominium complex; and (c) a mixed condominium and office space complex, using the plots of land owned by the United Nations, namely, Ariana Park, the United Nations beach plot of land and the plot known as "Les Feuillantines".

97. Should the General Assembly wish to pursue further the aforementioned potential revenue-generating activities through public-private partnerships, the Secretary-General would propose the following two-phased approach:

(a) Phase 1: Review and identify required amendments to applicable legal and procurement rules and procedures, which would enable potential income-generating activities to be carried out, and present these to the General Assembly for approval;

(b) Phase 2: If phase 1 is approved by the General Assembly, phase 2 would involve a detailed commercial analysis of the assumptions and planning figures, and a report would be generated outlining a set of options. This phase would have financial implications, as a consulting firm would have to be contracted to perform the analysis. A first estimate would indicate the cost to be in the range of $500,000 to $1,000,000.

98. An alternative to the public-private partnerships approach described above would be to sell or lease certain parcels of land owned by the United Nations. The sale of construction rights, rezoning land or altering the perimeter of certain parcels, for example, moving some land outside the security perimeter, are also possibilities which could add additional value to the land portfolio. In this regard, consultations with the host country have been initiated to further explore these ideas by studying relevant host country regulations at the local, cantonal and federal levels. The detailed results of the studies, along with recommendations, will be presented to the General Assembly at its seventieth session.

F. Possible funding arrangements

99. Table 4 (in Swiss francs) and table 5 (in United States dollars) provide an analysis of the anticipated expenditure profile over the project lifetime, taking into account the approved appropriation for 2014 in the amount of CHF 15.6 million, which is illustrated in figures I and II (estimates in tables 4 and 5 and figures I and II are from A/68/372). It should be noted that the estimated expenditure information below is provided for indicative purposes only. An updated analysis will be presented in the next progress report, concurrently with the revised overall cost estimate for the strategic heritage plan to be presented at the main part of the seventieth session of the General Assembly.

Table 4
Indicative estimated expenditures in Swiss francs
(Millions)

	2014	*2015*	*2016-2017*	*2018-2019*	*2020-2021*	*2022-2023*	***Total***
Estimated expenditures	15.6	26.4	156.0	367.0	194.0	78.0	**837.0**

Note: Estimates in tables 4 and 5 and figures I and II are from A/68/372.

Figure I
Indicative estimated expenditure pattern of Swiss francs
(Millions)

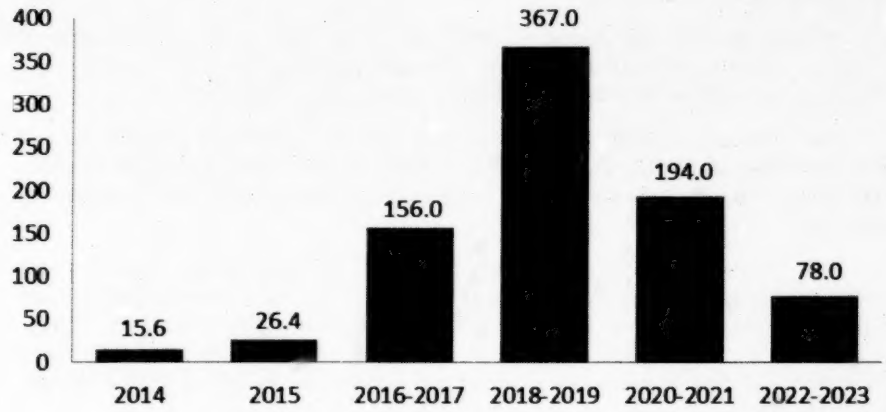
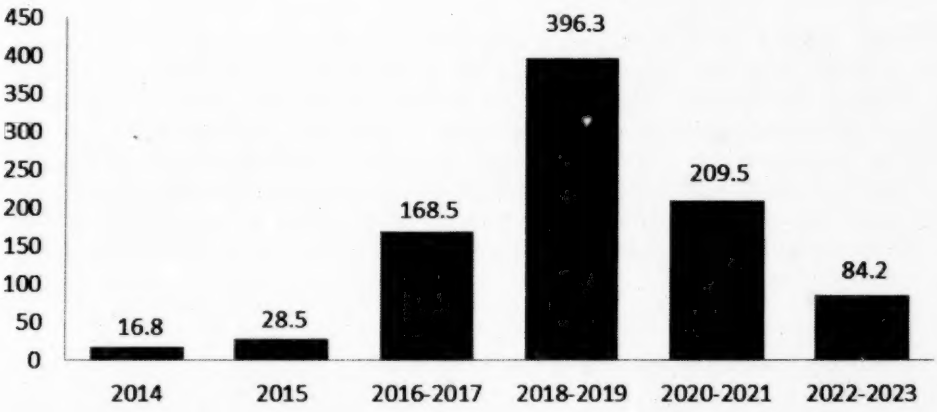


Table 5
Indicative estimated expenditures in United States dollars
(Millions)

	2014	*2015*	*2016-2017*	*2018-2019*	*2020-2021*	*2022-2023*	***Total***
Estimated expenditures	16.8	28.5	168.5	396.3	209.5	84.2	**903.9**

Figure II
Indicative estimated expenditure pattern in United States dollars
(Millions)



G. Financing options

100. The General Assembly may decide to finance the strategic heritage plan through assessments upon Member States, presented as option A below, or it may decide to take advantage of a loan package from the host country in combination with assessments upon Member States, presented as option B below. Within each option, Member States will need to decide the amount and timing of the assessments to be made. In basic terms there are three possible alternatives, which are presented below, namely:

(a) Assessments reflecting the estimated expenditures for each fiscal period (biennial);

(b) Assessments based on the average cost of the project for each given fiscal period, which would mean equal amounts to be assessed at regular intervals;

(c) Up-front assessments, which would increase the investment outlay at the start of the project but which would be advantageous to the project because they would provide the most flexibility to the project owner to respond to unforeseen needs that might arise.

101. Options A and B, along with an illustration of the three alternative assessment profiles, are set out in tables 6 to 9 below (see also figures III and IV). It should be noted that under alternative (c) (up-front assessments), a broad distribution ratio per biennium of 50:40:10 has been applied. This reflects a broad assumption that the peak in commitments would arise in the first biennium, decrease slightly in the second and taper off, with mostly cash disbursements for the latter part of the project lifetime.

Table 6
Option A — financing through assessments in Swiss francs
(Millions)

	2014-2015	*2016-2017*	*2018-2019*	*2020-2021*	*2022-2023*	*Total*
Alternative 1: estimated expenditures	42.0	156.0	367.0	194.0	78.0	**837.0**
Alternative 2: average cost per biennium	42.0	265.0	265.0	265.0	–	**837.0**
Alternative 3: up-front assessments	42.0	397.5	318.0	79.5	–	**837.0**

Table 7
Option A — financing through assessments in United States dollars
(Millions)

	2014-2015	*2016-2017*	*2018-2019*	*2020-2021*	*2022-2023*	*Total*
Alternative 1: estimated expenditures	45.4	168.5	396.3	209.5	84.2	**903.9**
Alternative 2: average cost per biennium	45.4	286.2	286.2	286.2	–	**903.9**
Alternative 3: up-front assessments	45.4	429.3	343.4	85.9	–	**903.9**

Figure III
Comparison of three alternatives under option A
(Millions of Swiss francs)

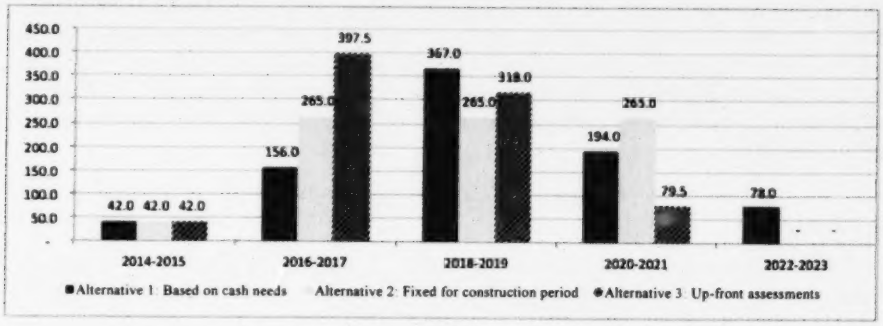


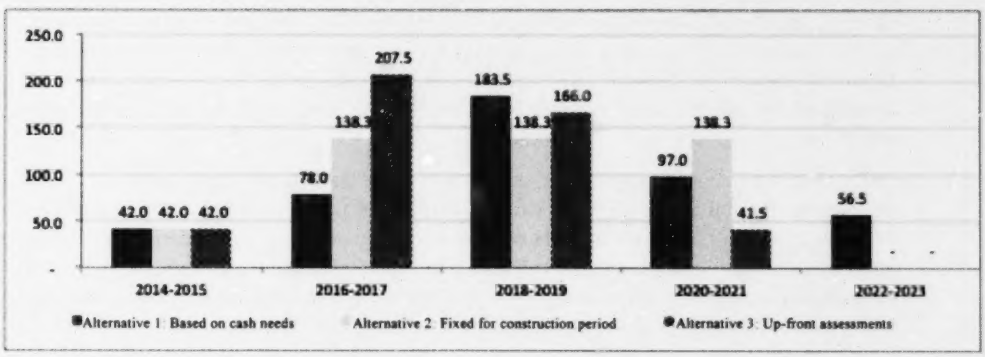
Table 8
Option B — financing through a combination of assessments and loan package in Swiss francs
(Millions)

	2014-2015	*2016-2017*	*2018-2019*	*2020-2021*	*2022-2023*	***Total***
Loans						
Loan 1 — New construction	–	33.2	65.1	19.3	–	**117.6**
Loan 2 — Renovation	–	44.8	118.4	77.7	21.5	**262.4**
Total loans	**–**	**78**	**183.5**	**97**	**21.5**	**380**
Member State assessments						
Alternative 1: Estimated expenditures	42.0	78.0	183.5	97.0	56.5	**457.0**
Alternative 2: Average cost per biennium	42.0	138.3	138.3	138.3	–	**457.0**
Alternative 3: Up-front assessments	42.0	207.5	166.0	41.5	–	**457.0**
Total alternative 1: Estimated expenditures	**42.0**	**156.0**	**367.0**	**194.0**	**78.0**	**837.0**
Total alternative 2: Average cost per biennium	**42.0**	**216.3**	**321.8**	**235.3**	**21.5**	**837.0**
Total alternative 3: Up-front assessments	**42.0**	**285.5**	**349.5**	**138.5**	**21.5**	**837.0**

Table 9
Option B — financing through a combination of assessments and loan package in United States dollars
(Millions)

	2014-2015	*2016-2017*	*2018-2019*	*2020-2021*	*2022-2023*	*Total*
Loans						
Loan 1 — New construction	–	35.9	70.3	20.8	0.0	**127.0**
Loan 2 — Renovation	–	48.4	127.9	84.0	23.2	**283.4**
Total loans	**–**	**84.2**	**198.2**	**104.8**	**23.2**	**410.4**
Member State assessments						
Alternative 1: Estimated expenditures	45.4	84.2	198.2	104.8	61.3	**493.5**
Alternative 2: Average cost per biennium	45.4	149.4	149.4	149.4	0.0	**493.5**
Alternative 3: Up-front assessments	45.4	224.1	179.3	44.8	0.0	**493.5**
Total alternative 1: Estimated expenditures	**45.4**	**168.5**	**396.3**	**209.5**	**84.2**	**903.9**
Total alternative 2: Average cost per biennium	**45.4**	**233.6**	**347.6**	**254.1**	**23.2**	**903.9**
Total alternative 3: Up-front assessments	**45.4**	**308.3**	**377.4**	**149.6**	**23.2**	**903.9**

Figure IV
Comparison of three alternatives under option B
(Millions of Swiss francs)



H. Currency

102. One of the more complex issues to address for the strategic heritage plan relates to the risk management of foreign currency exposure. The construction contracts and related expenditures for the strategic heritage plan will be denominated primarily in Swiss francs, which is standard for similar projects in the host country. The loan from the host country would also be in Swiss francs, which would eliminate some of the currency fluctuation. However, as the current standard practice is to prepare budgets and assess Member States in United States dollars, there is a currency risk that needs to be managed. Over the past 40 years, the value

of the United States dollar has depreciated against the Swiss franc from levels above 2.5 Swiss francs to the United States dollar to the current level of 0.95 Swiss francs to the United States dollar. Past trends are not a reliable measure of the future development of the currency, which makes planning for the unknown very difficult.

VII. Next steps

103. In its previous report (A/68/372), the Secretary-General, on the basis of lessons learned from other major capital projects, including the capital master plan, recommended the execution of the design of the construction and renovation in detail before starting any construction and/or renovation work, as this would significantly reduce the risk of cost and schedule overruns throughout the duration of the project. A detailed design will define precisely the quantity and nature of the work to be undertaken, thus enabling the construction contractors to provide detailed fixed costs before the work commences.

104. The proposed project tasks to be undertaken during 2015 to achieve the aims and deliverables outlined in the present report are discussed in paragraphs 105 to 139.

A. Complete the design master plan

105. The work related to the design master plan is expected to begin in October 2014 and will be completed by March 2015, before proceeding with the concept/schematic design, which is scheduled to begin by April 2015.

106. The design master plan is on the critical path because it sets the overall design strategy and guidelines that constitute the overarching internal control framework (including quality assurance mechanisms) for the design and construction activities that will follow in January 2015 and in the first quarter of 2017, respectively, as mandated by the General Assembly in section V, paragraph 9, of its resolution 68/247 A.

107. This work, which is to be undertaken by the lead design firm, consists of the development of the overall base design guidelines to be adopted by the specialist designers, which covers all aspects of construction, including architecture, structure, and mechanical and electrical systems. In addition, the lead design firm will coordinate, integrate and manage the quality of the design production, ensuring compliance with the relevant building codes and applicable standards.

B. Complete and evaluate the building and in-depth site assessment

108. During 2014, the dedicated project management team initiated the specialist in-depth assessments of: (a) intrusive hazardous material assessments; and (b) structural assessments of the buildings and geotechnical surveys. Completing the specialized assessments will allow the specialized design firm to finalize the detailed physical building assessments, which must take place before the specialized design firm can proceed to the concept/schematic design. The completion of the structural assessment and the geotechnical surveys by the specialized design firm would confirm compliance with earthquake safety codes.

109. The in-depth assessments would not only aid in the development of the overall design and cost estimate, but would also reduce uncertainty regarding the scope of remediation work that would need to be undertaken and hence allow for greater certainty in both the project schedule and the estimated project cost.

C. Complete concept/schematic design

110. The concept/schematic design is on the critical path because it sets the basis for the development of the detailed cost estimate and the tender package (inclusive of detailed drawings, specifications and bill of quantities) that are deemed necessary for the launching of the tender to appoint the construction firm in order to enable construction activities to start no later than the first quarter of 2017.

D. Develop the detailed cost estimate

111. Following the development of the concept/schematic design, a greater level of detail of the expected construction and renovation work will be available, such as the volumes of the new construction and renovation, materials to be used, electrical and mechanical equipment and conference systems. Consequently, a cost estimate could be produced with a high level of certainty and reported to the General Assembly at its seventieth session, in line with its resolution 68/247 A.

E. Develop detailed designs

112. In 2015, the specialized design firm will begin detailed design of the following:

(a) Construction of the new permanent building.

(b) Renovation of the A conference building.

(c) Fire protection of the historical archives in the B building.

113. The detailed design work for the above-mentioned buildings consists of the development of detailed construction specifications, bills of quantities and detailed drawings and is expected to be completed in two phases (March and May 2016).

114. The detailed specification will enable the design and construction firms to ascertain the full extent of the work that needs to be undertaken and, as such, to fully establish the cost of the work up for tender, with a high degree of precision, in the form of a fixed lump sum price. This means less risk of variability going forward in the form of change orders, which gives greater cost certainty.

115. Detailed designs will give the Organization a stronger bargaining position in its negotiations with prospective construction contractors and improve the ability of the strategic heritage plan project team to assure quality control.

116. In terms of best practice, completion of the detailed design in advance of construction will mean that the estimates of time and cost at the tender stage are reliable and would therefore provide a good level of control over issues of time and cost. In addition, the involvement of the design firms throughout the construction process would allow for good quality control. The contracting methodology selected

for the strategic heritage plan, known as the traditional approach has endured over several years and is well known and well understood by everyone in the construction industry.

F. Preparatory activity for tender documentation

117. In order to reduce the duration of the planning phase as far as possible (in accordance with sect. V, para. 7 of General Assembly resolution 68/247 A) and thereby enable construction work to start at the earliest opportunity, the dedicated project management team intends to commence the development of the tender documentation for the future appointment of the construction contractor(s) by mid- to late 2016.

G. Project risk management

118. The independent risk management firm was engaged in November 2013 to assess project risks and develop the overall project risk management strategy, the qualitative and quantitative risk assessment and risk register, and to develop the strategy to allocate and manage the contingency. Additionally, the risk management firm will provide regular updates on the risk assessment and required risk control activities. The initial work strategy needs to be completed by March 2015 and ongoing risk control activities would continue throughout the duration of the project. This would enable the risk analysis to be continuously monitored and incorporated into the estimated contingency provisions, with as much precision as possible according to the stage of the project.

119. It is anticipated that the risk management firm will begin the contingency-related activity from April 2015 and would continue throughout the duration of the project. This would enable the results to be incorporated into the overall project estimate to be presented to General Assembly at its seventieth session for its consideration and approval.

H. Project planning and coordination

120. Throughout 2015, the dedicated project management team will continue project planning and coordination of the design activities, including cost estimation, cost control and programme management. The scope of these activities will increase to encompass the review of the high volume of the specialized design deliverables, consisting of design guidelines, design strategy, procedures to comply with building codes and drawings and specifications relating to the following aspects of the construction project: (a) architectural; (b) structural; (c) electrical, (d) mechanical; and (e) congress systems.

121. In the light of the above, as described in paragraphs 124 to 131 of the present report, the Secretary-General proposes the establishment of additional temporary positions, to be maintained throughout 2015, to complement the existing temporary positions approved in 2014. The recruitment activities will continue to be managed by both the dedicated project management team and the Division of Administration of the United Nations Office at Geneva.

I. Project financing

122. The Director-General of the United Nations Office in Geneva, as project owner, the Project Director, who has been appointed and is due to begin that role on 24 October 2014, and the Director of Administration will continue activities in relation to obtaining voluntary donations to offset some of the strategic heritage plan costs.

123. To enable the execution of the key project steps listed above, the following actions will need to be undertaken:

(a) Secure for 2015 the services of the lead design firm through the issuance of a contract extension relating to the provision of the overall vision for the design and to coordinate and integrate the specialized design packages, as described further in paragraphs 134 and 135;

(b) Extend into 2015 the services of the specialized design firm to complete the development of the concept design of all four implementation phases as well as the detailed design of phase I, as described further in paragraph 136;

(c) Extend into 2015 the contract related to the provision of services by the programme management firm, to continue its role as extension of the dedicated project management team, as described further in paragraph 137;

(d) Renew for 2015 the services of the risk management firm relating to the continued monitoring and provision of assurance that risk management activities are implemented and managed effectively in 2015, as described further in paragraph 138;

(e) Undertake in 2015 additional in-depth site assessments in the areas of space planning, structural calculations, topographical survey and a three-dimensional survey of the interior of the building;

(f) Appoint in 2015 external contracted expertise in the areas of: (i) space planning and programming; (ii) conference congress systems; (iii) energy saving and management systems; and (iv) historical preservation, as described further in paragraph 132.

J. Refinement of the proposed functions of the dedicated project management team

124. In its resolution 68/247 A, the General Assembly approved resources to provide for the continuation of the two previously existing positions and the establishment of 10 additional positions. In addition, the Assembly requested the Secretary-General to refine his proposal with regard to the core functions of the dedicated project management team and explore options for the use of contracted external expertise in lieu of establishing positions. The Secretary-General's proposal for the project management team comprises three components: a reduced dedicated project management team, dedicated operational experts and contracted external expertise.

1. Project management team

125. The dedicated project management team will define and oversee the design, construction and logistic activities performed by external consultants and will

actively drive, monitor, manage and control the delivery of the entire programme to ensure completion on time, to budget and in line with United Nations functional requirements and quality standards. The dedicated project management team will also act as representatives of the project owner to United Nations stakeholders and will provide guidance for decisions made with regard to the functional requirements of the Organization.

126. Starting in 2015, the dedicated project management team would need to be complemented by three additional positions: a Project Officer (P-4), and two positions at the General Service (Other level). The recruitment of a Project Officer is proposed to strengthen the management capacity at the senior level of the team, with the aim of assisting the Project Director in coordinating the project with internal and external stakeholders and governance bodies and supporting him in information exchange and liaison work relevant to the project. In addition, one position at the General Service (Other level) in each of the services is being proposed to provide assistance with the necessary technical document management and administrative backstopping work and to render general administrative assistance.

127. The dedicated project management team reflects the necessary minimum level of effort required throughout the various project stages. In order to minimize risk, a traditional contracting/procurement methodology, where the United Nations will appoint separately the design firm(s), programme management firm and construction contractor(s), has been chosen. Given this methodology, core members of the dedicated project management team will need to perform strategic, operational and administrative roles that cannot be performed by external consultants or contractors. However, for non-strategic functions, consideration will be given to the use of external expertise throughout the lifetime of the project.

128. The dedicated project management team is composed of two services; (a) the Design and Construction Service and (b) Programme Management Support Service. The former is responsible for project design and construction activities and coordination of United Nations functional requirements; the latter for administering contracts with external firms, in accordance with the Financial Regulations and Rules of the United Nations (ST/SGB/2003/7) and in line with the established project deliverables, for recruiting and staff management and for other administrative tasks.

129. In 2015, significant design packages for the structural and architectural aspects, space planning, interior design, electrical engineering, mechanical engineering, congress systems, security systems, accessibility and conference facilities, will need to be undertaken in order to complete the concept design for the entire strategic heritage plan. These will also facilitate development of the detailed designs for the new building, conference the A building and for fire protection of the historical archives in the B building.

2. Dedicated operational experts

130. Given the current stage of the project, in which operational requirements are being defined as part of the design, there is a need to establish a team of dedicated operational experts, comprising 6 officers who would work full time on the strategic heritage plan. In addition to the existing Procurement Officer (P-4) approved for 2014, these additional officers would be in the areas of architecture, mechanical

engineering, electrical engineering, conference management services, security services and information technology. The team of operational experts would actively participate in design activities to ensure that the design proposals meet the current and future operational requirements of the Organization and would assess any impact on the way the building is managed and operated during and after construction, as well as during the commissioning and handover period. Additionally, this team would provide in-depth information regarding the buildings and infrastructure, which is critical given the complexity of the renovation project.

131. An updated organization chart of the dedicated project management team, as well as the team of dedicated operational experts, is reflected in annex IV.

K. Maximizing the use of contracted external expertise

132. In support of the dedicated project management team and operational experts team, additional functions, which were previously defined in A/68/372 as staff functions, will also be required. The specialized services are in the general fields of design, construction, programme and project management support, and in specific technical areas of space planning and programming, conference congress systems, energy savings and management systems, as well as historical preservation. These services may be required on short notice and for short- to medium-term assignments through contracted external expertise.

L. Dedicated consultancy services

133. For 2015, the dedicated project management team would need to continue with the lead design coordination services and specialized design services to complete the concept design and the detailed design, as well as ongoing services for programme and risk management. Hence the following consultancies would be required:

(a) Lead design firm;

(b) Specialist design firm(s);

(c) Programme management firm;

(d) Independent risk management firm.

134. The lead design firm will be responsible for providing the overall vision for the design of the strategic heritage plan and for coordinating and integrating the specialized design packages such as time schedules, submittals, prototypes, drawings, quality controls, acceptance testing and commissioning procedures necessary for the various stages of the project.

135. The lead design firm will be responsible for the coordination of the development of the design of the proposed new building, concept design, detailed design development, technical design/construction drawings and specifications and tender documentation to procure the construction services. Additionally, the firm will be responsible for the coordination of the concept design of all four project phases, including the renovation of the Palais des Nations.

136. Coordinated by the lead design firm, the specialized design firm will complete the development of the concept design of all four phases of the project implementation and will undertake the detailed design, technical/construction drawings, specifications and tender documentation of phase I implementation including the new building, the renovation of the A conference building and the fire protection of the historical archives.

137. The programme management firm, acting as an extension of the dedicated project management team, will be accountable for the oversight of the design development, specifically in the context of the project schedule and cost controls, to ensure that the project design activities are developed and controlled, thus enabling the future construction works to remain within the estimated cost plan and schedule and in accordance with the required quality parameters. Other tasks for this firm will include control of potential scope creep.

138. The independent risk management firm will monitor and provide assurance that risk management activities are implemented and managed effectively throughout the life of the project. The firm is accountable for developing the framework and tools to manage risk in compliance with the project governance structure and audit requirements. Specifically, it will prepare the following:

(a) Risk analysis report identifying all the project risks;

(b) Risk impact report identifying the potential impact in terms of cost, time and quality;

(c) Risk management report, including the proposed response to risks and mitigation procedures;

(d) Consolidated quarterly risk registers updates on the risk analysis, impact and management reports;

(e) Contingency plans.

139. Table 10 summarizes, for each of the consultancies, the expected deliverables.

Table 10
Summary of deliverables

Consultancy services	*Deliverables*
Lead design firm	Design execution plan
	Design master plan
	Design guidelines
Specialist design firm(s)	Design appraisal/design feasibility
	Concept design
	Detailed design

Consultancy services	*Deliverables*
Programme management firm	Detailed space planning
	Project control mechanisms
	Design brief
	Parking spaces study
Independent risk management firm	Risk management strategy
	Risk register
	Regular updates
	Regular reports

VIII. Resource requirements

140. In its resolution 68/247 A, the General Assembly appropriated CHF 15,629,900 or $16,878,900 for the strategic heritage plan for 2014 under section 33, Construction, alteration, improvement and major maintenance, for the continuation of two existing positions (2 P-4), the establishment in 2014 of 10 new positions (1 D-2, 2 D-1, 2 P-5, 3 P-4, 1 P-3 and 1 General Service (Other level)), contractual services related to design services, including contingencies and escalation, and travel.

A. Requirements for 2014 (in Swiss francs)

141. Actual expenditure for the project as at 31 August 2014 amounts to CHF 2,905,500 and the projected expenditure for the period September to December 2014 is estimated at CHF 11,690,100. In summary, the total requirement for 2014 is estimated at CHF 14,595,600 against the approved amount of CHF 15,629,900. The unutilized amount of CHF 1,034,300 in 2014 would be applied to the requirements for 2015.

142. In its resolution 68/247 A, the General Assembly authorized a commitment authority in the amount of CHF 1,215,300 for 2015 relating to the project management team. The commitment authority will be superseded by the requirements for 2015 requested below, and as such will not be utilized or requested to be converted into an appropriation.

B. Requirements for 2015 (in Swiss francs)

143. During 2015, it is estimated that resource requirements in the amount of CHF 27,317,700, inclusive of allowances, would be needed for the continuation of the 12 positions established in 2014, for the proposed establishment of nine additional new positions in 2015 (three for the project management team and six operational experts), for the engagement of external expertise to support the project management team, for travel and for design consultancy services required to

accomplish the next steps of the project's development as described in section VII above.

144. The requisite consultancy to undertake the next important steps related to the master plan and concept design activities are a prerequisite for the development of the detailed costs estimate of the project, which would be presented to the General Assembly for its consideration at its seventieth session, in accordance with section V, paragraph 17, of its resolution 68/247 A. The related costs for the consultancy services are estimated in the amount of CHF 23,077,500.

C. Project management team

145. Resources of CHF 2,607,800 are requested for the project management team, which will comprise the continuation of 11 existing positions (1 D-2, 2 D-1, 2 P-5, 4 P-4, 1 P-3 and 1 General Service (Other level)) and the proposed establishment of three new positions (1 P-4 and 2 General Service (Other level)) in 2015. The proposed new positions comprise a Project Officer (P-4), Programme Assistant (General Service (Other level)) and Project Assistant (General Service (Other level)).

D. Dedicated team of operational experts

146. It should be noted that 12 positions were approved for the project management team, which included the position of a Procurement Officer (P-4). However, upon further review and in line with the United Nations rules, a separation between the requisitioning and procurement entity should be in place. Accordingly, the Procurement Officer will functionally report to the existing United Nations Office at Geneva procurement entity and will be placed under the operational experts team, as described in paragraph 147. The recruitment of the Procurement Officer has been completed and the selected candidate is expected to be onboard in December 2014.

147. With regard to the requested resources of CHF 730,900 for the operational experts team, this would comprise the continuation of the existing position of Procurement Officer (P-4) described above and the proposed establishment of six new positions (2 P-4 and 4 P-3) in 2015. The proposed new positions comprise a Conference Services Officer (P-4), Security Officer (P-4), Architect (P-3), Mechanical Engineer (P-3), Electrical Engineer (P-3) and Information Systems Officer (P-3).

E. Contractual external expertise

148. Resources of CHF 810,000 are requested for contracted external expertise in 2015 to supplement the project team, in order to address the request by the General Assembly in section V, paragraph 32, of its resolution 68/247 A. The contracted external expertise would cover the following areas: (a) space planning and programming; (b) conference congress systems; (c) energy saving and management systems; and (d) historical preservation.

149. The projected expenditures for 2014 and the projected requirements for the biennium 2014-2015 are set out in tables 11 and 12.

Table 11
Projected expenditures for 2014
(Thousands of Swiss francs)

Description	*Amount approved for 2014*[a]	*Expenditure as at 31 August 2014*	*Projected expenditure September-December 2014*	***Total projected expenditure for 2014***
Design and consultancy services	12 800.0	2 246.2	11 307.5	**13 553.7**
Project management team	1 401.4	629.1	367.8	**996.9**
Travel	28.5	30.2	14.8	**45.0**
Contingency and escalation	1 400.0	–	–	**–**
Total	**15 629.9**	**2 905.5**	**11 690.1**	**14 595.6**

[a] In its resolution 68/247 A, the General Assembly authorized a commitment authority for 2015 in the amount of CHF 1,215,300, relating to the project management team. The commitment authority will be superseded by the requirements for 2015 requested in this report, and as such will not be utilized or converted into an appropriation.

Table 12
Projected requirements for the biennium 2014-2015
(Thousands of Swiss francs)

Description	*Requirements for 2014-2015, as set out in A/68/372*	*Projected expenditure for 2014*	*Projected expenditure for 2015*	***Total 2014-2015***
Design and consultancy services	30 950.9	13 553.7	22 077.5	**35 631.2**
Contracted external expertise	–	–	810.0	**810.0**
Project management team	6 943.0	996.9	2 607.8	**3 604.7**
Operational experts team	–	–	730.9	**730.9**
Travel	57.0	45	91.5	**136.5**
Contingency and escalation	4 000.0	–	1 000.0	**1 000.0**
Total	**41 950.9**	**14 595.6**	**27 317.7**	**41 913.3**
Approved appropriation for 2014				**15 629.9**
Appropriation required for 2015				**26 283.4**

IX. Recommended actions to be taken by the General Assembly

150. **The General Assembly is requested to:**

(a) **Consider the financing arrangements presented in the present report and provide further guidance on options A and B with a view to approving the financing arrangements at the main part of the seventieth session;**

(b) **Approve the next steps, as described in section VII;**

(c) **Approve the establishment of nine new positions, effective 1 January 2015;**

(d) Appropriate an additional amount of CHF 26,283,400, or $28,383,800 at initial appropriation 2014-2015 rates, under section 33, Construction, alteration, improvement and major maintenance, of the programme budget for the biennium 2014-2015;

(e) Approve the establishment of a multi-year special account for the strategic heritage plan and request the Secretary-General to make the necessary arrangements in that regard.

Annex I

Progress reports and earned value performance measurement

Progress reports

1. Progress reports will be required for all work performed to execute any project activity. The project schedule of activities will be designed using a work breakdown structure that splits the total project into various levels of detail. The structure will provide the framework from which progress on planned costs, time and schedule and/or performance can be reported and used to predict the consequences of change on completion dates and costs.

2. Earned value performance measurement will be applied to progress reporting for all project activities based on the work breakdown structure. Periodic progress reports (at least monthly) during design, construction and handover, will identify:

(a) The critical path associated with each milestone and the forecast completion date of each milestone;

(b) The quantity of work completed and activities completed, or partially completed since the previous reporting period (see para. 3);

(c) The value of work done since the previous reporting period (see para. 3);

(d) The resources employed since the previous reporting period;

(e) The predicted completion cost of activities being performed;

(f) Any information or approvals requested in the previous reporting period;

(g) Any recovery and/or acceleration required to overcome adverse impacts on progress;

(h) The quantity of work planned to be carried out in the subsequent reporting period (see para. 3);

(i) The value of work planned to be completed in the subsequent reporting period (see para. 3);

(j) The resources planned to be employed in the subsequent reporting period;

(k) Any defective work completed, with proposals for rectification or replacement;

(l) Any health and safety events since the previous reporting period;

(m) Any variations to scope for which authority has been requested, the cause and the date by which approval to proceed is required;

(n) Any other matters requiring a decision before the subsequent reporting period.

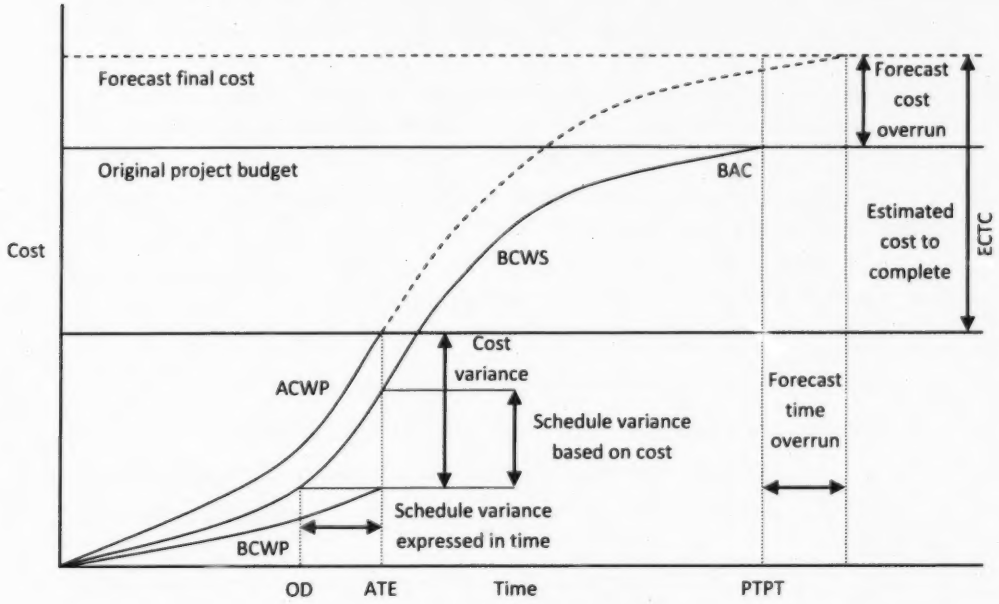
Earned value performance measurement

3. Earned value performance measurement provides a quantitative overview of project progress and whether the project is ahead or behind in terms of time and cost. This approach seeks to monitor how much of the budget and project time

should have been spent given the amount of work (or completion of activities) actually completed at a given point in time, and compares this to the actual budget and time. The measurement provides a prediction as to the total cost and time required to complete the project, or specific groups of activities or phases, given the rate of progress efficiency performed by a particular point in time.

4. Earned value is illustrated in the figure below.

Earned value performance measurement



5. The earned value performance measurement process will provide the following information:

(a) ECTC — estimated cost to complete the project;

(b) BAC — currently planned budget at completion;

(c) BCWS — currently budgeted cost of work as scheduled;

(d) BCWP — budgeted cost of work performed to date (planned value);

(e) ACWP — actual cost of work performed to date (earned value);

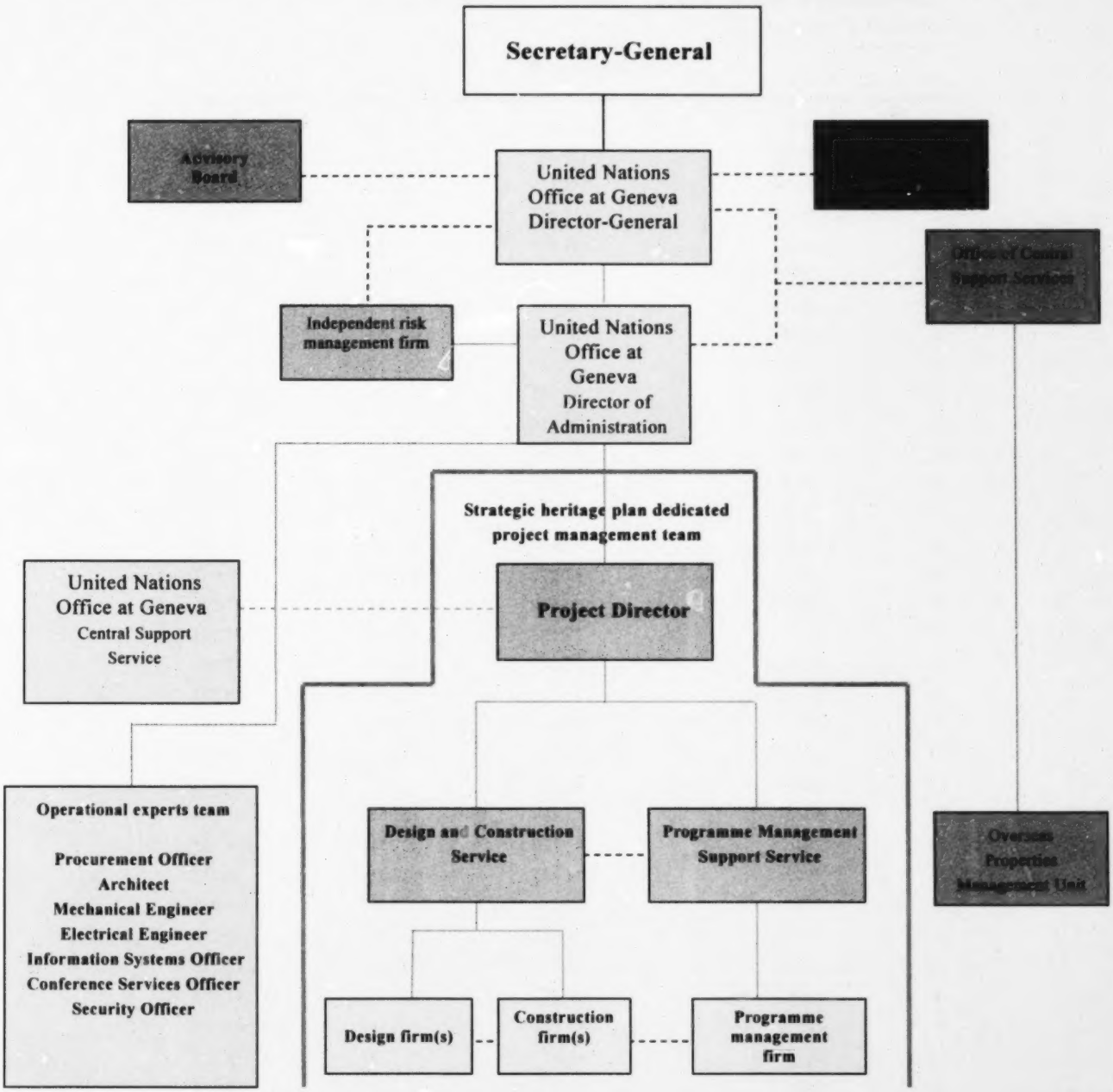
(f) OD — original duration planned for the work to date (baseline period);

(g) ATE — actual time expected for the work to date (predicted by reference to earned value);

(h) PTPT — planned total project time (predicted by reference to earned value to date).

Annex II

Strategic heritage plan governance and oversight framework



Annex III

Amortization tables

Table 1
Amortization of zero-interest new construction loan (50 years)
(Thousands of Swiss francs)

Period	*Year*	*Total beginning balance loan*	*Reduction in principal*	*Ending loan balance*
1	2022	117 570	(2 351)	115 219
2	2023	115 219	(2 351)	112 867
3	2024	112 867	(2 351)	110 516
4	2025	110 516	(2 351)	108 164
5	2026	108 164	(2 351)	105 813
6	2027	105 813	(2 351)	103 462
7	2028	103 462	(2 351)	101 110
8	2029	101 110	(2 351)	98 759
9	2030	98 759	(2 351)	96 407
10	2031	96 407	(2 351)	94 056
11	2032	94 056	(2 351)	91 705
12	2033	91 705	(2 351)	89 353
13	2034	89 353	(2 351)	87 002
14	2035	87 002	(2 351)	84 650
15	2036	84 650	(2 351)	82 299
16	2037	82 299	(2 351)	79 948
17	2038	79 948	(2 351)	77 596
18	2039	77 596	(2 351)	75 245
19	2040	75 245	(2 351)	72 893
20	2041	72 893	(2 351)	70 542
21	2042	70 542	(2 351)	68 191
22	2043	68 191	(2 351)	65 839
23	2044	65 839	(2 351)	63 488
24	2045	63 488	(2 351)	61 136
25	2046	61 136	(2 351)	58 785
26	2047	58 785	(2 351)	56 434
27	2048	56 434	(2 351)	54 082
28	2049	54 082	(2 351)	51 731
29	2050	51 731	(2 351)	49 379
30	2051	49 379	(2 351)	47 028
31	2052	47 028	(2 351)	44 677
32	2053	44 677	(2 351)	42 325
33	2054	42 325	(2 351)	39 974

Period	*Year*	*Total beginning balance loan*	*Reduction in principal*	*Ending loan balance*
34	2055	39 974	(2 351)	37 622
35	2056	37 622	(2 351)	35 271
36	2057	35 271	(2 351)	32 920
37	2058	32 920	(2 351)	30 568
38	2059	30 568	(2 351)	28 217
39	2060	28 217	(2 351)	25 865
40	2061	25 865	(2 351)	23 514
41	2062	23 514	(2 351)	21 163
42	2063	21 163	(2 351)	18 811
43	2064	18 811	(2 351)	16 460
44	2065	16 460	(2 351)	14 108
45	2066	14 108	(2 351)	11 757
46	2067	11 757	(2 351)	9 406
47	2068	9 406	(2 351)	7 054
48	2069	7 054	(2 351)	4 703
49	2070	4 703	(2 351)	2 351
50	2071	2 351	(2 351)	–
Total			**(117 570)**	

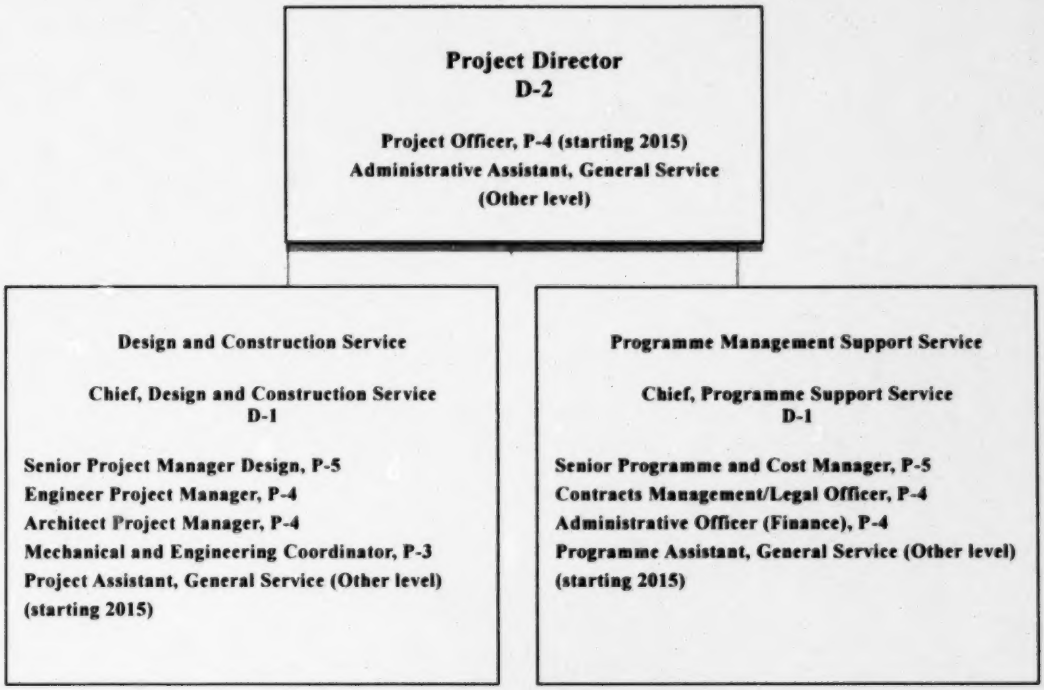
Table 2
Amortization of interest bearing renovation loan (30 years)
(Thousands of Swiss francs)

Period	*Year*	*Total beginning balance loan*	*Interest*	*Principal*	*Total payment*	*Ending loan balance*
1	2024	262 430	(3 936)	(6 991)	(10 927)	255 439
2	2025	255 439	(3 832)	(7 096)	(10 927)	248 343
3	2026	248 343	(3 725)	(7 202)	(10 927)	241 141
4	2027	241 141	(3 617)	(7 310)	(10 927)	233 831
5	2028	233 831	(3 507)	(7 420)	(10 927)	226 411
6	2029	226 411	(3 396)	(7 531)	(10 927)	218 880
7	2030	218 880	(3 283)	(7 644)	(10 927)	211 236
8	2031	211 236	(3 169)	(7 759)	(10 927)	203 477
9	2032	203 477	(3 052)	(7 875)	(10 927)	195 601
10	2033	195 601	(2 934)	(7 993)	(10 927)	187 608
11	2034	187 608	(2 814)	(8 113)	(10 927)	179 495
12	2035	179 495	(2 692)	(8 235)	(10 927)	171 260
13	2036	171 260	(2 569)	(8 358)	(10 927)	162 901
14	2037	162 901	(2 444)	(8 484)	(10 927)	154 418
15	2038	154 418	(2 316)	(8 611)	(10 927)	145 806

Period	*Year*	*Total beginning balance loan*	*Interest*	*Principal*	*Total payment*	*Ending loan balance*
16	2039	145 806	(2 187)	(8 740)	(10 927)	137 066
17	2040	137 066	(2 056)	(8 871)	(10 927)	128 195
18	2041	128 195	(1 923)	(9 004)	(10 927)	119 190
19	2042	119 190	(1 788)	(9 140)	(10 927)	110 051
20	2043	110 051	(1 651)	(9 277)	(10 927)	100 774
21	2044	100 774	(1 512)	(9 416)	(10 927)	91 358
22	2045	91 358	(1 370)	(9 557)	(10 927)	81 801
23	2046	81 801	(1 227)	(9 700)	(10 927)	72 101
24	2047	72 101	(1 082)	(9 846)	(10 927)	62 255
25	2048	62 255	(934)	(9 994)	(10 927)	52 262
26	2049	52 262	(784)	(10 143)	(10 927)	42 118
27	2050	42 118	(632)	(10 296)	(10 927)	31 823
28	2051	31 823	(477)	(10 450)	(10 927)	21 373
29	2052	21 373	(321)	(10 607)	(10 927)	10 766
30	2053	10 766	(161)	(10 766)	(10 927)	–
Total			**(65 391)**	**(262 430)**	**(327 821)**	

Annex IV

A. Strategic heritage plan dedicated project management team


Project Director
D-2
Project Officer, P-4 (starting 2015)
Administrative Assistant, General Service (Other level)
Design and Construction Service
Chief, Design and Construction Service
D-1
Senior Project Manager Design, P-5
Engineer Project Manager, P-4
Architect Project Manager, P-4
Mechanical and Engineering Coordinator, P-3
Project Assistant, General Service (Other level) (starting 2015)
Programme Management Support Service
Chief, Programme Support Service
D-1
Senior Programme and Cost Manager, P-5
Contracts Management/Legal Officer, P-4
Administrative Officer (Finance), P-4
Programme Assistant, General Service (Other level) (starting 2015)

B. Operational experts team

Procurement Officer, P-4
Conference Services Officer, P-4 (starting 2015)
Security Officer, P-4 (starting 2015)
Architect, P-3 (starting 2015)
Mechanical Engineer, P-3 (starting 2015)
Electrical Engineer, P-3 (starting 2015)
Information Systems Officer, P-3 (starting 2015)